

Gift Acceptance and Valuation Policy

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Gift Acceptance and Valuation Policy

I. Introduction

This Gift Acceptance and Valuation Policy (GAVP) provides guidance to Canadian Centre for Christian Charities (CCCC) employees regarding the planning, promoting, receipting, accepting, and disposing of charitable gifts.

All gifts accepted by CCCC shall comply with charitable giving procedures in compliance with all provincial and federal laws and regulations.

This GAVP will be reviewed by the Manager, Stewardship Services on an annual basis or as circumstances may require. Revisions or recommendations to the policy are to be approved by the Leadership Team.

Key Terms and Definitions:

The “Leadership Team” is comprised of the Chief Executive Officer, Vice President, Member Services and Vice President, Administration.

A “donor” is any individual, partnership, corporation, foundation or other legal entity that makes a charitable gift to CCCC.

A “gift” is a voluntary transfer of property without consideration.

An “*inter vivos* gift” is a gift made from one or more persons, without any prospect of immediate death, to one or more others.

The “Fair Market Value (FMV)” is generally considered the highest price, expressed in a dollar amount that the property would bring in an open and unrestricted market between a willing buyer and a willing seller who are knowledgeable, informed, and prudent, and who are acting independently of each other.

A gift that is “unusual” is generally a non-cash gift, other than publicly-traded securities.

“Unreasonable” is generally considered beyond the normal scope of using good judgement.

II. Categories of Giving

Outright gifts generally include:

- cash and cheques
- publicly-traded securities
- real estate
- personal property

Deferred gifts generally include:

- bequests
- pooled income funds
- endowment funds
- life insurance policies

Refer to Section IV, *Gift Acceptance Guidelines*, page 6 for a detailed list of outright and deferred gifts.

The gift stewardship programs at CCCC generally consist of these categories:

- A. Non-donor-restricted gift support
- B. Donor-restricted gift support for special projects (like the Legal Defence Fund)
- C. Donor-restricted gift support for long term purposes, which hold specific restrictions as to the application and use of the gift's principal and its income (such as 10 year gifts)
- D. Donor-advised gift support, which hold specific advice to the application and use of the gift's principal and its income (like the Community Trust Pooled Funds)

III. Special Policy Notations

Acceptance and Distribution of Gifts – The Leadership Team shall delegate to designated employees of CCCC the ability to accept gifts on behalf of CCCC. The Leadership Team shall have the sole and absolute discretion on gifts received which hold unclear, impossible, inadvisable or impractical instructions for distribution as well as the ability to recover costs for gifts that require additional administration and/or other professional advice. Any income (e.g., interest, dividends) derived from the distribution of gifts within the CTF remains the property of the Fund.

Compatibility – All gifts must align with the charitable purposes and objects of CCCC.

Prior Approval – All gifts that are unusual in nature should be referred to the Leadership Team for prior approval. CCCC reserves the right to seek the advice of a lawyer and/or other appropriate professional counsel prior to making any final acceptance decisions.

Fundraising Appeals – The Leadership Team will establish and approve any appeal for the solicitation of gifts.

Internal Records – All documentation regarding donors must be maintained and controlled by the Manager, Stewardship Services. All donor information is confidential and unavailable to the public unless prior written consent of the donor is obtained or otherwise required to be disclosed by law.

Fees or Commissions – CCCC will not pay fees to any person for directing a gift (i.e. incentive based fundraising). CCCC holds to a comprehensive policy on ethical fundraising and financial accountability (refer to sample policy on member's website – www.cccc.org).

Professional or Appraisal Fees – If professional or appraisal fees are necessary, CCCC shall use best efforts to estimate the reasonableness of fees prior to payment and will ensure disclosure of same to donor. Appraisals, where necessary, will be completed by individuals who are competent and qualified to appraise property and who have no conflict of interest.

Gift Acknowledgement – All accepted gifts will be acknowledged immediately with an acknowledgement letter, which will include an official tax receipt, if applicable. All official tax receipts

for gifts will comply with the Income Tax Act (ITA) and Regulations. For acknowledgement and recognition purposes, in regard to gifts given by CCCC to qualified donees at the original donor's request, CCCC will disclose such donor's name, except for those gifts specifically indicated by such donor as anonymous.

Gift-in-Kind – The date of “fair market value” will be established for inter vivos gifts as the date of title transfer. In the absence of any ability to determine valuation, the donor's acknowledgement will carry a stated gift value of zero (\$0). The proper valuation processes are set forth in Section V, Gift Valuation Guidelines, page 7 of this GAVP. A Gift-in-Kind Information Form will be used for the purpose of accepting all gifts-in-kind for CCCC, except for gifts of securities (see Appendix I).

Conflict of Interest – CCCC will be cautious in all dealings with donors in order to avoid even the appearance of impropriety. If a direct or indirect conflict of interest is disclosed to a CCCC employee, that employee will refer this to the Leadership Team.

Gift Valuation – CCCC will follow standard practice guidelines for the industry in valuing all outright and deferred gifts. The proper process of valuing non-cash property will be made pursuant to Section V, Gift Valuation Guidelines, page 7 of this GAVP.

Gifts that cannot be accepted – CCCC reserves the right to decline a gift. The following examples justify such an action, although other situations may also result in a declined gift:

- Any gift with features contrary to the charitable purposes and objects of CCCC
- Any gift that violates any provincial or federal laws
- Any restrictive clause that may bring unwarranted pressure or embarrassment to CCCC, the Board of Directors or its employees
- Any gift that contains unreasonable conditions, liens or other encumbrances
- Any gift that presents exposure to unacceptable liability
- Any gift that could financially or morally jeopardize the donor or CCCC
- Any gift where an appropriate “fair market value” cannot be determined or will result in unwarranted or unmanageable expense for CCCC
- Any gift that could jeopardize CCCC's charitable status
- Any gift that could improperly benefit any donor
- Any gift that holds a condition that is revocable in any way

IV. Gift Acceptance Guidelines

Gifts can be generally categorized as either outright or deferred. CCCC recommends that individuals seek Independent Legal Advice (ILA) prior to making any significant outright or deferred gifts.

CCCC's donor restricted gift policy is:

“Spending of funds is confined to programs and projects approved by the organization. Should a donor choose to restrict a contribution for use in a particular program or project, we will honour that restriction, with the understanding that, when the need for such a program or project has been met or cannot be completed for any reason as determined by the organization, the remaining restricted contributions will be used where most needed.”

Outright Gifts:

- **Cash and Cheques** – This shall include electronic fund transfers and credit cards. All cheques shall be made payable to the Canadian Centre for Christian Charities (CCCC). Cheques made payable to an employee or a Director for credit to CCCC will not be accepted as a gift to CCCC.
- **Publicly-Traded Securities** – CCCC will accept only publicly-traded marketable securities that are to be sold immediately without restriction.
- **Real Estate** – All gifts of real estate will be referred to the Leadership Team for prior approval. Prior to any acceptance of a gift of real estate, CCCC may require the completion of the following as appropriate:
 - Arms-length appraisals
 - Title search
 - A marketability check
 - An on-site evaluation
 - An environmental survey
 - Determination of other costs or concerns
- **Personal Property** – Unique gifts will be considered by the Leadership Team. Acceptance is entirely in the sole discretion of the Leadership Team.

Deferred Gifts:

- **Estate Gifts** – Consist of bequests to CCCC through a Will or Testamentary Trust. CCCC reserves the right to decline any gifts from the estate of a deceased donor which is not in compliance with this GAVP.
- **Planned Gifts** – Deferred gifts may also consist, but are not limited to, the following types of planned gifts:
 - *Donor-Advised Pooled Funds (see Appendix III)* – a minimum initial contribution (\$100,000) is required. Any exceptions to this minimum will be referred to the Community Trust Fund Trustees.
 - *Donor-Advised Pooled Funds - 10-Year Gifts* – a minimum initial contribution (\$500,000) is required. Any exceptions to this minimum will be referred to the Leadership Team. All agreements relating to these types of gifts must balance the obligations of CCCC in administering the funds and provide flexibility for future conditions which may impact the donor's intent for the funds.

V. Gift Valuation Guidelines

Establishing the Date of the Gift:

Generally, the date of any contribution will be defined as the date on which the donor irrevocably relinquishes control of the property to CCCC. Where the donor is deceased, the valuation date is the day prior to death. The Estate Trustee Information letter must be retained.

If the date of the gift cannot be determined, the following guidelines will be used:

- **Personal Property:** Gifts of tangible personal property, no matter how delivered, are deemed to be accepted by CCCC when title is transferred to CCCC.
- **Credit and Debit cards:** Credit and debit card gifts are deemed to be accepted on the day the CCCC's account is credited, providing funds have sufficiently cleared the banking system.
- **Real Estate:** A gift of real estate is accepted when the Deed is registered in the name of CCCC.
- **Gift of Securities**, based on delivery method:

Electronically Transferred – The date the shares are received in the CCCC's Community Trust Fund brokerage account. The copy of the brokerage activity sheet must be retained.

Hand delivered – The date the physical certificates, the Authorization to Transfer Publicly Traded Securities and Request for Charity Beneficiary Forms (see Appendix II) are received at CCCC office. The stamped date with this notation must be retained.

Mailed – The date the physical security certificates, the Authorization to Transfer Publicly Traded Securities and Request for Charity Beneficiary Forms (see Appendix II) are post marked. The envelope with the post mark must be retained.

Establishing the Value of the Gift:

CCCC must be able to determine the FMV of any non-cash gifts. Should CCCC not be able to reasonably determine the FMV of a gift, the donor's acknowledgement will state a value of zero (\$0). If the FMV of an item can be easily determined (cash register receipt for new purchase), a third-party appraisal may not be required. The FMV of a gift-in-kind does not include taxes paid on purchasing the item.

Exceptions may be referred to the Leadership Team; however, CCCC will be guided by the following:

- **Donations valued at less than \$1,000** – a person with sufficient knowledge may establish FMV, documenting the basis used for the estimate and any other pertinent information.
- **Donations valued at \$1,000 and over** – FMV will be based on an independent appraisal completed by a qualified third party.
- **FMV** – Gifts of property are subject to a deemed FMV rule, which applies to any property donated within three years of acquisition or acquired through a gifting arrangement. The

deemed FMV is the lesser of the actual FMV or the donor's cost to acquire the property, or in the case of capital property, the adjusted cost base, with the following exceptions,

- gifts made as a consequence of a donor's death
 - inventory
 - real property situated in Canada
 - certified cultural property
 - gifts of publicly traded securities
 - ecological gifts.
- **Gifts of Securities** - FMV is based on the closing price of the units or shares recorded on the day the securities are received into CCCC's brokerage account.

VI. Conclusion

The policies set out in this GAVP are intended to assist and provide guidance for employees at CCCC involved in receiving and receipting gifts on behalf of CCCC. All exceptions to this GAVP must be referred to the Leadership Team at CCCC, especially those gifts that:

- might expose CCCC to uncertain liability
- are precedent setting or may involve sensitive issues
- are perceived to come from illegal or unethical activities
- are from individuals or organizations whose philosophy and values could be considered inconsistent with the overall philosophy and values of CCCC.

This policy shall be reviewed annually. It may also be amended upon recommendation and approval by the Leadership Team.



Appendix 1 – Gift-in-Kind Information Sheet

Donor Information

Name of Donor (Individual/ Organization): _____

Receipt Address: _____

Name of Contact (If different from above): _____

Telephone Number: _____

Does the Donor own the item yes no

Has the Donor owned the item for 3 years or more? yes no

If no, what was the cost of the item to the donor? _____

Description of Gift-in-Kind:

Fair Market Value (FMV) of the gift (excluding GST/PST) _____

Is a charitable income tax receipt requested? yes no

Donor Declaration:

I (the undersigned) hereby make this gift-in-kind of my free will and without receiving any consideration or benefit except as noted as the “advantage” (if applicable) on the charitable income tax receipt, for the assessed FMV, if it is determined that this gift meets all CCCC and federal and provincial laws and regulations.

Signature of Donor/Organization

Date

For CCCC Use Only:

Gift-in-kind Valuation Date: _____

Is Legal Title Transfer Required?: _____

If yes, method for Title Transfer: _____

Special Terms or Conditions: _____

Gifts valued at \$1,000 or less: Value \$ _____

Method of appraisal: _____

Gifts valued at \$1,000 or more: Value \$ _____

1. Qualified Independent Appraiser (name, title, valuation attached)

2. Qualified Independent Appraiser (name, title, valuation attached)

Leadership Team Comments, if applicable:

Donation acceptance approved by:

Signature of Designated CCCC Employee

Date

Appendix II – Gift of Securities: Authorization to Transfer Publicly Traded Securities Form & Request for Charity Beneficiary Form

Donation Transfer Process:

- Step 1** Please complete this form with your broker and request them to initiate the transfer to CCCC's account at TD Waterhouse. Please do not transfer securities to CCCC's account without completing Step 2.
- Step 2** **Immediately send a copy of this completed form to the CCCC office Attention: Gilbert Langerak by scanned copy to ctf@cccc.org, along with the Request for Charity Beneficiary form.**
- Step 3** Have your broker transfer shares to CCCC's Account: TD Waterhouse Investor Services, 381 King St West, 2nd Floor, Kitchener, ON N2G 1B8 Ph: 519-571-6080 or 800-661-6350 Fax 416-542-0607
Attn: Transfers In, CCCC's account # 436260A FINS # T007
- Step 4** Upon receipt and sale of the transferred shares, CCCC will issue an official tax receipt based on the closing price recorded on the day the securities are received into CCCC's account.

Donor's Contact Information

Donor Name _____
 Street Address _____
 City / Province _____
 Postal Code _____
 Phone _____
 Email _____
 Donor's Brokerage Account # _____

Donor's Broker Information

Brokerage Firm Name _____
 Broker / Adviser _____
 Street Address _____
 City / Prov / P.C. _____
 Phone _____
 Email _____
 FINS # _____

| Number of Shares/Units | Symbol or Name of Security | CUSIP # (if known) |
|------------------------|----------------------------|--------------------|
| | | |
| | | |

I understand that this gift of securities is irrevocable and in order to receive a charitable tax receipt for the current tax year the securities must be received in CCCC's account at CCCC's brokerage institution on or by December 31, and that CCCC is not responsible if the securities are not received in its account by that date. I understand that I will receive a gift-in-kind tax receipt from CCCC based on the closing price on the date that the securities are received in CCCC's account and that CCCC retains fees as outlined below.

Signature of Donor _____ Date _____

Signature of Co-Owner, if applicable _____ Date _____

- Notes:**
- Securities will be liquidated for immediate distribution to your requested charities. (See *Request for Charity Beneficiary* form).
 - In order to complete this request CCCC **must receive both** the *Authorization to Transfer* form and the *Request for Charity Beneficiary* form. Unexpected and/or unidentifiable transfers may prevent or delay CCCC from issuing a tax receipt.
 - A 1% administration fee will be applied as well as \$25 per cheque issued (minimum \$500 fee). **If the distribution includes a CCCC member organization, the minimum fee will be decreased to \$275.**
 - CCCC will not be held responsible for fluctuation in security values between transfer and liquidation dates.

Request for Charity Beneficiary Form

Donation Transfer Process:

The attached *Authorization to Transfer Publicly Traded Securities to CCCC* form identifies a gift of securities, irrevocably transferred, to the Canadian Centre for Christian Charities (CCCC).

Immediately send a copy of this completed form to the CCCC office, Attention: Gilbert Langerak by scanned copy to ctf@cccc.org along with the *Authorization to Transfer Publicly Traded Securities to CCCC* form.

I request CCCC to disburse the proceeds on the sale of the transferred securities to the following organizations, provided that such organizations are "registered charities" or "qualified donees" as these terms are defined in the Income Tax Act.

Donor's Contact Information

Donor Name _____

Street Address _____

City / Province _____ Postal Code _____

Phone _____ Email _____

I understand that this gift of securities is irrevocable and in order to receive a charitable tax receipt for the current tax year the securities must be received in CCCC's account at CCCC's brokerage institution on or by December 31, and that CCCC is not responsible if the securities are not received in its account by that date. I understand that I will receive a gift-in-kind tax receipt from CCCC based on the closing price on the date that the shares are received in CCCC's account.

Signature of Donor _____ Date _____

Signature of Co-Owner _____ Date _____
(if applicable)

| Name of Charity | Address of Charity | CRA Business # (if known) | % of Proceeds (must total 100%) |
|-----------------|--------------------|---------------------------|---------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |

If more space is required please attach a separate sheet.

Note: Both the *Authorization to Transfer Publicly Traded Securities to CCCC* and the *Request for Charity Beneficiary* forms must be sent to CCCC as instructed above in order for us to begin the transfer process. Please contact Gilbert Langerak at 519-669-5137 or email atcf@cccc.org if you have any questions.



Appendix III – Donor-Advised Funds: Overview of Pooled Donor Advised Funds with CCCC and Donor Advised Gift Form

Pooled Donor-Advised Funds

The Canadian Centre for Christian Charities (CCCC) has been operating the Community Trust Fund since 1978. We utilize the Fund to serve our members and their supporters through pooled (gradual disbursements) and non pooled (immediate disbursements) gifts.

What are Pooled Donor-Advised Funds?

Pooled Donor-Advised Funds are a very efficient charitable gift planning tool for anyone looking to make and distribute a major gift.

What are the key benefits for donors considering Pooled Donor-Advised Funds?

- active participation
- full tax receipt up front
- ability to give anonymously - privacy
- substantial cost savings
- tax benefits (i.e. if using securities)
- time savings and convenience - eliminates administration
- expertise availability
- increased flexibility
- separation between the distribution of the gift and the need for a tax receipt
- simplicity of setting up a Pooled Donor-Advised Fund

How Do Pooled Donor-Advised Funds Operate at CCCC?

A donor irrevocably donates to CCCC a gift of money or securities. The donor receives an immediate charitable tax receipt when the original donation is made as well as any subsequent donations that are made into the Pooled Donor-Advised Fund.

CCCC sets up a Pooled Donor-Advised Fund to hold the donations until the donor is ready to distribute them to the selected registered Canadian charities.

The Pooled Donor-Advised Fund accrues investment earnings which also may be directed to the charities of choice, but no additional tax receipts are provided for these earnings as the funds are no longer owned by the donor, but rather by CCCC.

The donor assigns CCCC the right to invest the capital funds with the understanding that, from time to time, the donor may suggest beneficiaries of both the capital and income provided that such beneficiaries are “qualified donees” as defined in the Income Tax Act of Canada. The donor provides CCCC with directions for the gifts either on a one-time basis, monthly or on an annual basis.

CCCC invests the money with all the other pooled funds, including CCCC’s own funds and credits any earnings to the account at its rate of investment return. Investments are based on the CCCC Investment Policy and the CCCC Investment Advisors help in this regard.

CCCC provides the donor with semi-annual statements regarding the activities of the Fund, which may include any disbursements, new donations into the Fund, and any loss or gain on the Fund.

CCCC’s minimum dollar value to participate in the Pooled Donor-Advised Fund is \$100,000.

CCCC Pooled Donor-Advised Fund administration fee schedule is as follows:

| | <u>Start-up</u> | <u>Annual</u> |
|--------------------------|-----------------|---------------|
| <\$1 million | 1.00 % | 0.75%* |
| \$1-2 million | 0.75% | 0.50% |
| \$2-5 million | 0.50% | 0.50% |
| Greater than \$5 million | negotiable | negotiable |

** subject to minimum annual administration fee \$750 per year, prorated for partial years.*

At this fee structure, 24 disbursements per year can be made. Anything greater than 24 disbursements is assessed at \$25 per cheque issued.

Some donors may choose to distribute additional funds beyond these fees to further the work of the Canadian Centre for Christian Charities, which is greatly appreciated.

Donor-Advised Gift Form

Donor's Contact Information

Donor Name _____

Street Address _____

City / Province _____ Postal Code _____

Phone _____ Email _____

I hereby irrevocably give and transfer, to the Canadian Centre for Christian Charities (CCCC) the sum of \$_____. I make this gift on the condition that CCCC will issue an official receipt for income tax purposes on the date that the payment is received by CCCC.

I request CCCC to invest the capital funds received from me hereunder, and to add the income earned thereon to the capital, with the understanding that, from time to time, I may suggest beneficiaries of both capital and income provided that such beneficiaries are "registered charities" and "qualified donees" as these terms are defined in the Canadian Income Tax Act. Should I for reason of death or mental incapacity no longer be able to suggest ultimate beneficiaries I hereby request that any remaining capital and income be disbursed to the following organizations, provided that such organizations are "registered charities" and "qualified donees".

| Name of Charity | Address of Charity | CRA Business # (if known) | % of Proceeds (must total 100%) |
|-----------------|--------------------|------------------------------|------------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |

If more space is required please attach a separate sheet.

Signature of Donor _____ Date _____

Please Print Name of Donor _____

CCCC hereby acknowledges the contributors' understandings stated above.

Authorized Signature _____ Date _____

Please Print Name _____

Note: 1. CCCC will provide semi-annual statements regarding the activities of the Fund.

2. A .75% annual administration fee will be applied based on the size of the Fund at year end (minimum \$750 fee per year prorated). The Fund has an initial start up cost of 1% - prorated for partial years. Please contact CCCC for discounted rates on portfolios over \$1 million.

3. The Fund includes up to 24 disbursements each year, non-cumulative. Each disbursement beyond 24 disbursements is assessed at \$25 per cheque.

Appendix IV – Charitable Bequests: Letter of Direction Testamentary Gifts Form

Letter of Direction Testamentary Gifts

Donor Name _____

Street Address _____

City / Province _____ Postal Code _____

Phone _____ Email _____

I/We have named the Canadian Centre for Christian Charities (CCCC) as a beneficiary of one or more gifts under our last Will(s) and Testament(s). Examples of testamentary gifts may include cash, securities, trusts, annuities, life insurance policies, registered and non registered accounts.

I/We hereby request that CCCC disburse the bequest proceeds to the following organizations, provided that such organizations are “registered charities” or “qualified donees” as these terms are defined in the *Income Tax Act*.

| Name of Charity | Address of Charity | CRA Business # (if known) | % of Proceeds (must total 100%) |
|-----------------|--------------------|------------------------------|------------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |

If more space is required please attach a separate sheet.

Signature of Donor _____ Date _____

Signature of Co-Owner _____ Date _____
(if applicable)

- Note:**
1. Bequests are subject to CCCC Gift Acceptance and Valuation Policy.
 2. A 2% administration fee will be applied as well as \$25 per cheque issued (minimum \$500 fee). If distribution includes only one cheque to a CCCC member organization, the minimum fee will be decreased to \$275.
 3. Unless instructed otherwise, bequests remain anonymous until funds are disbursed.